

211 CMR: DIVISION OF INSURANCE

211 CMR 45.00: ESTABLISHMENT OF SERVICE FEE TO AGENTS AND BROKERS ASSISTING EMPLOYERS IN OBTAINING WORKMEN'S COMPENSATION INSURANCE

Section

- 45.01: Authority
- 45.02: Purpose
- 45.03: Eligibility to Receive Service Fee
- 45.04: Amount of Service Fee
- 45.05: Effective Date

45.01: Authority

211 CMR 45.00 is made pursuant to the authority vested in The Commissioner of Insurance by M.G.L. c. 152, § 650 (inserted by St. 1974, c. 761).

45.02: Purpose

The purpose of 211 CMR 45.00 is to set a service fee as required by M.G.L. c. 152, § 650 at a percentage rate of the average commission rate customarily paid by those workmen's compensation insurers that compensate agents by commissions which will be sufficiently attractive to encourage agents and brokers to assist employers in obtaining coverage while, at the same time, leaving a further incentive to agents and brokers to place such insurance coverage through their customary markets when that is practicable.

45.03: Eligibility to Receive Service Fee

In order to be eligible to receive the service fee established under 211 CMR 45.00 a licensed agent or broker must be designated, in writing, as producer of record by the employer to assist the employer in dealing with the Massachusetts Workmen's Compensation Insurance Plan and the insurer to which he is assigned and must show to the satisfaction of the Plan that he has a relationship with an insurer writing workmen's compensation insurance but is unable to place the employer so designating him with that insurer. The designation of an agent or broker as producer of record will remain in effect until revoked, in writing, by the employer or until a new producer of record is designated by the employer. No more than one agent or broker shall be designated as producer of record for an employer at any time.

45.04: Amount of Service Fee

The service fee shall be based on Massachusetts standard premium and paid in accordance with the following schedule:

On 1st \$1,000 in premium	- 9%
On next 4,000 " "	- 5%
On next 95,000 " "	- 4%
Over 100,000 " "	- 3%

The service fee schedule shall be used from the effective date of 211 CMR 45.00 until such time as 211 CMR 45.00 is further amended or changed by the Commissioner of Insurance.

45.05: Effective Date

211 CMR 45.00 shall take effect on November 6, 1974, the effective date of St. 1974, c. 761.

REGULATORY AUTHORITY

211 CMR 45.00: M.G.L. c. 152, § 650.

NON-TEXT PAGE